

AGENDA
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
REGULAR MEETING
March 22, 2023

Meeting Time and Location: **7:00 pm**
Baker and Zoom

- I. APPROVAL OF AGENDA
- II. APPROVAL OF MINUTES
 - A. Regular Board Meeting Minutes of February 22, 2023
- III. NEW BUSINESS
 - A. Resolution 23-7 Authorizing Resolution 1484 Liberty and 1540 Siller Terrace
 - B. Resolution 23-8 Authorizing Resolution 121 E. Catherine
 - C. February Financial Statements
- IV. ADJOURNMENT

MINUTES
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
BOARD MEETING
February 22, 2023

Meeting Time and Location: **6:00 p.m.**
Zoom and follow-up by email written consent

The Board was not able to meet with a quorum and therefore the board Secretary/Treasurer Jennifer Hall requested that the Board take action by email to approve the board agenda and action items according to Section 10 of the Board's By-laws related to Action without a Meeting. Section 10 states that any action required or permitted to be taken under authorization voted at a meeting of the Board or a committee thereof may be taken without a meeting if, before or after the action, all members of the Board then in office, or of the committee, consent to the action in writing or by electronic transmission. The written consents shall be filed with the minutes of the proceedings of the Board or committee. Such consent has the same effect as a vote of the Board or committee for all purposes.

All board members in office responded by email that they approved the agenda and corresponding action items on the February 22, 2023 agenda including Thierry Batalonga, Deanna Boer, Steven Daniels, Lee Meadows, Patricia Jenkins and Jennifer Hall.

I. Approval of Agenda

II. Approval of Minutes January 18, 2023

III. Approval of NEW Business

- A. Approval of Resolution 23-3 to approve FY22 990
- B. Approval of Resolution 23-4 to approve an increase in funding of \$800,000 to \$1,900,000 to Avalon Housing for the development of Veridian Way
- C. Approval of Resolution 23-5 to approve the acquisition of 8 duplexes on Liberty, Virginia and Siller Terrace in the amount of \$4,135,000
- D. Approval of Resolution 23-6 to approve the FY 22 Audit Colonial Oaks

IV. Adjournment

AUTHORIZING RESOLUTION 23-7
OF
ANN ARBOR HOUSING DEVELOPMENT CORPORATION
Re: 1540 Siller Terrace and 1484 Liberty, Ann Arbor, Michigan

I, Jennifer Hall, as Executive Director of the Ann Arbor Housing Commission, a commission established by the City of Ann Arbor (the “Commission”), the sole member of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (the “Corporation”), having custody of the records of the Corporation, hereby certifies that the following is a true and correct copy of Resolutions duly adopted by consent at a meeting of the Board of Directors of the Corporation on March 22, 2023:

RECITALS

WHEREAS, the Corporation was formed by the initial filing of Articles of Incorporation with the Michigan Department of Commerce on October 15, 1979, which were amended by Restated Articles of Incorporation on June 10, 2013, with the Commission as its sole member (the “Sole Member”); and

WHEREAS, Siller Terrace LLC, a Michigan limited liability company, was formed by the filing of Articles of Organization with the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau on February 24, 2023, with the Corporation as its sole member (the “Sole Member”); and

WHEREAS, the Corporation is acquiring 16 existing affordable rental housing units, located at 1540 Siller Terrace and 1484 Liberty in Ann Arbor, Michigan (the “Properties”), which will continue to be operated by the Corporation as affordable housing units; and

WHEREAS, the Corporation has received a preliminary term sheet from the Ann Arbor Area Community Foundation, a Michigan nonprofit corporation (the “Lender”) to provide a senior loan to the Corporation in the amount of **\$1,500,000.00** (the “AAACF Loan”), to be collateralized with a mortgage on the Properties, with annual interest payments for the term of the loan as follows: Years 1-5, interest at 3.5%; Years 6-7, interest at 4%; and Years 8-10, interest at 4.5%, with the principal balance due at maturity.. As a further condition of the AAACF Loan, the Corporation will be required to execute and deliver a promissory note (the “Note”), collateralization documents (the “Collateralization Documents”) and any other loan documents as required by Lender (collectively with the Note and Collateralization Documents, the “AAACF Loan Documents”).

RESOLUTIONS

NOW, THEREFORE, BE IT RESOLVED, that the formation of Siller Terrace LLC is hereby affirmed and ratified; and

FURTHER RESOLVED, that the Corporation has the power and authority to borrow money, pledge the assets of the Corporation and execute notes, or grant other security interests in the assets of the Corporation in connection with said borrowing, and any action(s) in furtherance thereof taken by any officers or directors of the Corporation or its Sole Member prior to these Resolutions is hereby ratified and affirmed; and

FURTHER RESOLVED, that Jennifer Hall, the Executive Director of the Sole Member of the Corporation (the "Authorized Signatory"), is hereby authorized and directed, on behalf of the Corporation, at any time after adoption of these Resolutions and without further action by or authority or direction from the Corporation or its Sole Member, to borrow from Lender a sum in the amount of **\$1,500,000.00** for the AAACF Loan, and to execute and deliver to Lender in such form as may be required, the AAACF Loan Documents, evidencing and securing said borrowing, and any prior action or execution in furtherance thereof by any officer or director, on behalf of the Corporation, prior to these Resolutions, are hereby ratified and affirmed; and

FURTHER RESOLVED, that the Authorized Signatory of the Corporation, acting alone, be and is hereby authorized and directed, on behalf of the Corporation, to execute and deliver, or cause to be executed and delivered, and take any additional action and enter into any additional agreements, documents, instruments, affidavits or certificates as may be required by Lender to effectuate the AAACF Loan Documents, the delivery of which shall constitute conclusive evidence that the terms and conditions contained therein have been determined to be appropriate by the Corporation;

FURTHER RESOLVED, that any action taken by the Authorized Signatory in executing and delivering the AAACF Loan Documents on behalf of the Corporation, or any prior actions of the Authorized Signatory in connection with the AAACF Loan, are specifically ratified, approved, and affirmed.

FURTHER RESOLVED, that the above described transactions are hereby approved by the Board of Directors of the Commission, the Sole Member of the Corporation, on behalf of the Corporation, and further that the Corporation is hereby authorized to enter into the transactions and the AAACF Loan Documents; and

FURTHER RESOLVED, that the Lender is authorized to rely on the continuing force and effect of these Resolutions until receipt of written notice from the Corporation or Commission of any amendments or alterations to these Resolutions.

[SIGNATURE ON NEXT PAGE]

ANN ARBOR HOUSING DEVELOPMENT CORPORATION,
a Michigan nonprofit corporation

By: ANN ARBOR HOUSING COMMISSION

Its: Sole Member

By: _____
Jennifer Hall
Its: Executive Director

Consent by:

ANN ARBOR HOUSING COMMISSION

By: _____
Dr. Lee Meadows
President

AUTHORIZING RESOLUTION 23-8
OF
ANN ARBOR HOUSING DEVELOPMENT CORPORATION

Re: 121 Catherine, Ann Arbor, Michigan

I, Jennifer Hall, as Executive Director of the Ann Arbor Housing Commission, a commission established by the City of Ann Arbor (the “Commission”), the sole member of Ann Arbor Housing Development Corporation, a Michigan nonprofit corporation (the “Corporation”), having custody of the records of the Corporation, hereby certifies that the following is a true and correct copy of Resolutions duly adopted by consent at a meeting of the Board of Directors of the Corporation on March 22, 2023:

RECITALS

WHEREAS, the Corporation was formed by the initial filing of Articles of Incorporation with the Michigan Department of Commerce on October 15, 1979, which were amended by Restated Articles of Incorporation on June 10, 2013, with the Commission as its sole member (the “Sole Member”); and

WHEREAS, AAHDC Catherine MM LLC, a Michigan limited liability company (the “MM LLC”), was formed by the filing of Articles of Organization with the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau on February 24, 2023, with the Corporation as its sole member (the “Sole Member”); and

WHEREAS, the Corporation is acquiring land located at 121 Catherine in Ann Arbor, Michigan (the “Property”) from the City of Ann Arbor, which will be developed into 63 affordable housing units, along with first floor community space (“the Development”); and

WHEREAS, the MM LLC will be the managing member of the 121 Catherine Limited Dividend Housing Association LLC, which will be the owner, developer and operator (“LDHA Owner”) of the Development; and

WHEREAS, the Commission will be the property manager of the Development;
and

WHEREAS, the Corporation will enter into a long term ground lease (“Ground Lease”) with the LDHA Owner to provide the requisite site control under the Low Income Housing Tax Credit (“LIHTC”) Program; and

WHEREAS, the LDHA Owner will be applying for financing from a variety of sources for the Development including but not limited to the City of Ann Arbor, the Michigan State Housing Development Authority (“MSHDA”), the Downtown Development Authority, and Washtenaw County (the “Development Financing”).

RESOLUTIONS

NOW, THEREFORE, BE IT RESOLVED, that the formation of AAHDC Catherine MM LLC is hereby affirmed and ratified; and

FURTHER RESOLVED, that the Corporation has the power and authority to borrow money, pledge the assets of the Corporation and execute notes, or grant other security interests in the assets of the Corporation in connection with said borrowing, and any action(s) in furtherance thereof taken by any officers or directors of the Corporation or its Sole Member prior to these Resolutions is hereby ratified and affirmed; and

FURTHER RESOLVED, that the Corporation is authorized to acquire the Property from the City of Ann Arbor, and thereafter to enter into a Ground Lease with the LDHA Owner; and

FURTHER RESOLVED, that the Corporation is authorized to apply for and sign all necessary applications, forms or required documents related to the Development Financing; and

FURTHER RESOLVED, that Jennifer Hall, the Executive Director of the Sole Member of the Corporation (the "Authorized Signatory"), is hereby authorized and directed, on behalf of the Corporation, at any time after adoption of these Resolutions and without further action by or authority or direction from the Corporation or its Sole Member, to acquire the Property, enter into a Ground Lease and apply for Development Financing, and any prior action or execution in furtherance thereof by any officer or director, on behalf of the Corporation, prior to these Resolutions, are hereby ratified and affirmed; and

FURTHER RESOLVED, that the Authorized Signatory of the Corporation, acting alone, be and is hereby authorized and directed, on behalf of the Corporation, to execute and deliver, or cause to be executed and delivered, and take any additional action and enter into any additional agreements, documents, instruments, affidavits or certificates as may be required to acquire the Property, enter into a Ground Lease and apply for Development Financing, the delivery of which shall constitute conclusive evidence that the terms and conditions contained therein have been determined to be appropriate by the Corporation;

FURTHER RESOLVED, that any action taken by the Authorized Signatory in furthering the actions authorized herein on behalf of the Corporation, or any prior actions of the Authorized Signatory are specifically ratified, approved, and affirmed.

FURTHER RESOLVED, that the above described transactions are hereby approved by the Board of Directors of the Commission, the Sole Member of the Corporation, on behalf of the Corporation, and further that the Corporation is hereby authorized to enter into the transactions described herein; and

FURTHER RESOLVED, these Resolution shall have continuing force and effect until receipt of written notice from the Corporation or Commission of any amendments or alterations to these Resolutions.

[SIGNATURE ON NEXT PAGE]

ANN ARBOR HOUSING DEVELOPMENT CORPORATION,
a Michigan nonprofit corporation

By: ANN ARBOR HOUSING COMMISSION

Its: Sole Member

By: _____
Jennifer Hall
Its: Executive Director

Consent by:

ANN ARBOR HOUSING COMMISSION

By: _____
Dr. Lee Meadows
President

Budget Comparison

Period = Feb 2023

Book = Accrual ; Tree = ysi_is

		PTD Actual	PTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
3400-00-000	GRANT INCOME									
3415-11-000	City General Fund Revenue	411,755	57,330	354,425	618	929,733	458,640	471,093	103	687,962
3418-00-000	Grant Revenue	1,740	-	1,740	N/A	40,000	-	40,000	N/A	-
3499-00-000	TOTAL GRANT INCOME	413,495	57,330	356,165	621	969,733	458,640	511,093	111	687,962
3610-00-000	Investment Income - Unrestricted	626	92	534	580	2,987	736	2,251	306	1,100
3612-00-000	Loan Interest Revenue	-	-	-	N/A	-	-	-	N/A	540,000
3650-00-000	Miscellaneous Other Income	101,715	725,279	(623,564)	(86)	2,687,741	5,802,232	(3,114,491)	(54)	8,703,353
3680-00-000	Developer Fees	-	-	-	N/A	210,650	-	210,650	N/A	-
3699-00-000	TOTAL OTHER INCOME	-	-	-	N/A	210,650	-	210,650	N/A	-
3999-00-000	TOTAL INCOME	515,836	782,701	(266,865)	(34)	3,871,111	6,261,608	(2,390,497)	(38)	9,932,415
4000-00-000	EXPENSES									
4100-00-000	ADMINISTRATIVE									
4100-99-000	Administrative Salaries									
4110-11-000	Temporary Help	-	1,667	1,667	100	40,985	13,336	(27,649)	(207)	20,000
4110-99-000	Total Administrative Salaries	-	1,667	1,667	100	40,985	13,336	(27,649)	(207)	20,000
4139-00-000	Other Admin Expenses									
4171-00-000	Auditing Fees	-	-	-	N/A	835	2,500	1,665	67	2,500
4182-00-000	Consultants	16,647	36,347	19,700	54	365,010	290,776	(74,234)	(26)	436,163
4184-00-000	Contractor Expense - Admin	7,288	-	(7,288)	N/A	14,138	-	(14,138)	N/A	-
4189-00-000	Total Other Admin Expenses	23,935	36,347	12,413	34	379,983	293,276	(86,707)	(30)	438,663
4190-00-000	Miscellaneous Admin Expenses									
4190-04-000	Office Supplies	-	-	-	N/A	-	150	150	100	150
4190-20-000	Bank Fees	10	-	(10)	N/A	80	160	80	50	160
4190-22-000	Other Misc Admin Expenses	-	-	-	N/A	5,683	200	(5,483)	(2,742)	200
4191-00-000	Total Miscellaneous Admin Expenses	10	-	(10)	N/A	5,763	510	(5,253)	(1,030)	510
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	23,944	38,014	14,070	37	426,730	307,122	(119,608)	(39)	459,173
4200-00-000	TENANT SERVICES									
4220-00-000	Resident Council	-	125	125	100	-	1,000	1,000	100	1,500
4220-01-000	Other Tenant Svcs.	550	417	(133)	(32)	12,682	3,336	(9,346)	(280)	5,000
4220-02-000	Tenant Services Support	142,153	70,884	(71,269)	(101)	777,022	567,072	(209,950)	(37)	850,610
4299-00-000	TOTAL TENANT SERVICES EXPENSES	142,703	71,426	(71,277)	(100)	789,704	571,408	(218,296)	(38)	857,110
4416-00-000	Contractor Expense - Maintenance	1,360	-	(1,360)	N/A	2,800	-	(2,800)	N/A	-
4419-00-000	Total General Maint Expense	1,360	-	(1,360)	N/A	2,800	-	(2,800)	N/A	-
4430-00-000	Contract Costs									
4430-09-000	Grounds Contract Costs	-	-	-	N/A	11,903	-	(11,903)	N/A	-
4439-00-000	Total Contract Costs	-	-	-	N/A	11,903	-	(11,903)	N/A	-
4499-00-000	TOTAL MAINTENANCE EXPENSES	1,360	-	(1,360)	N/A	14,703	-	(14,703)	N/A	-
4500-00-000	GENERAL EXPENSES									
4510-20-000	Liability Insurance	155	126	(29)	(23)	1,041	1,008	(33)	(3)	1,515
4521-00-000	Misc. Taxes/Licenses/Insurance	-	-	-	N/A	20	20	-	-	20
4540-00-000	Affiliated Entities Support	-	678,392	678,392	100	-	5,427,136	5,427,136	100	8,140,705

4570-01-000	Bad Debt Recovery	-	-	-	N/A	-	-	-	N/A	419,000
4580-00-000	Security Contracts	-	-	-	N/A	2,244	-	(2,244)	N/A	-
4599-00-000	TOTAL GENERAL EXPENSES	155	678,518	678,363	100	3,304	5,428,164	5,424,860	100	8,561,240
5000-00-000	NON-OPERATING ITEMS									
5210-00-000	Operating Transfers OUT	56,726	-	(56,726)	N/A	2,353,007	-	(2,353,007)	N/A	-
5999-00-000	TOTAL NON-OPERATING ITEMS	56,726	-	(56,726)	N/A	2,353,007	-	(2,353,007)	N/A	-
8000-00-000	TOTAL EXPENSES	224,889	787,958	563,069	71	3,587,449	6,306,694	2,719,245	43	9,877,523
9000-00-000	NET INCOME	290,947	(5,257)	296,204	5,634	283,663	(45,086)	328,749	729	54,892

Balance Sheet

Period = Feb 2023

Book = Accrual ; Tree = ysi_bs

		Current Balance
1000-00-000	ASSETS	
1100-00-000	CASH	
1110-00-000	Unrestricted Cash	
1111-81-001	AAHDC - Savings - CSB	1,088,338
1111-82-000	AAHDC Checking-Chelsea Bank	1,167,379
1111-99-000	Total Unrestricted Cash	<u>2,255,718</u>
1119-00-000	TOTAL CASH	2,255,718
1120-00-000	ACCOUNTS AND NOTES RECEIVABLE	
1129-00-000	A/R-Other	360,522
1129-99-000	Allowance for Doubtful Accounts-Other	(14,504,699)
1135-04-000	A/R City of Ann Arbor	111,715
1135-05-000	A/R Miscellaneous	11,375,072
1145-00-000	Accrued Interest Receivable	<u>3,129,626</u>
1149-00-000	TOTAL ACCOUNTS AND NOTES RECEIVABLE	472,237
1160-00-000	OTHER CURRENT ASSETS	
1211-00-000	Prepaid Insurance	1,550
1211-02-000	Prepaid Other	15,065
1261-00-001	Development Expenses - Gen Pre-Development	285,167
1261-00-002	Development Expenses - Maple Tower	1,230,283
1261-00-003	Development Expenses - River Run	129,100
1261-00-004	Development Expenses - 121 E. Catherine	116,804
1261-00-005	Development Expenses - 350 S. Fifth	724,730
1262-00-000	Development Expenses - Colonial Oaks	124,007
1264-00-000	Development Expenses - Lurie Terrace	50,360
1269-99-999	Development Expenses - Contra Account	<u>2,660,451</u>
1299-00-000	TOTAL OTHER CURRENT ASSETS	<u>16,615</u>
1300-00-000	TOTAL CURRENT ASSETS	2,744,570
1400-01-000	FIXED ASSETS	
1400-08-000	Furniture and Equipment-Admin.	189,744
1400-10-500	Building Improvements	<u>12,620</u>
1405-90-000	TOTAL FIXED ASSETS	<u>202,364</u>
1499-00-000	TOTAL NONCURRENT ASSETS	202,364
1999-00-000	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCE:	<u>2,946,933</u>
2111-00-000	A/P Vendors and Contractors	300,544
2119-91-000	Accrued Payable	147,683
2200-00-000	Deferred Revenue	<u>295,807</u>
2299-00-000	TOTAL CURRENT LIABILITIES	744,034
2499-00-000	TOTAL LIABILITIES	<u>744,034</u>
2802-00-000	Contributed Capital	<u>67,437</u>

2805-99-000	TOTAL CONTRIBUTED CAPITAL	<u>67,437</u>
2809-00-000	RETAINED EARNINGS:	
2809-02-000	Retained Earnings-Current Year	343,825
2809-04-000	Unrestricted Net Assets	<u>1,791,638</u>
2809-99-000	TOTAL RETAINED EARNINGS:	2,135,462
2899-00-000	TOTAL EQUITY	<u>2,202,899</u>
2999-00-000	TOTAL LIABILITIES AND EQUITY	<u>2,946,933</u>
9999-99-000	TOTAL OF ALL	-